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National Home Center News®

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Evans creditors accept bank plan

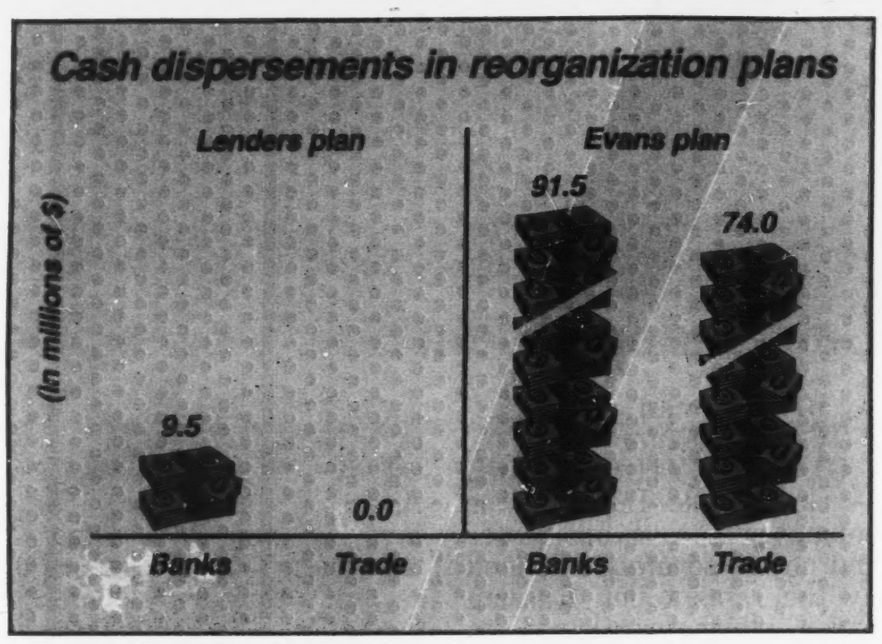
Two plans differ on cash payment

By an NHCN staff editor

MIAMI — The differences between the company and lender plans in the Evans Products reorganization center around the amount of cash being distributed to the company's creditors, the financial instruments being used to raise capital to pay the debt, the allocation of control over the reorganized company, and the remuneration of current stockholders once the company is reformed.

In Evans' proposal, $186 million in cash will be distributed to its various creditors a

(Continued on page 234)



The Evans trade creditor committee chose the lender reorganization plan, which provides trade creditors no cash payment, over the company plan, which offers $74 million, because of uncertainty about how the cash would be raised. NHCN chart

Trade committee rejects Evans plan; distrust of Victor Posner cited

By John Caulfield
NHCN staff editor

MIAMI — The 14-member retail trade creditors committee participating in the Evans Products bankruptcy proceeding voted on Feb. 19 to accept the plan for reorganizing the company that was constructed by Evans' bank lenders.

In choosing that proposal, the trade creditors committee rejected the plan submitted by the company, which filed its disclosure statement for that plan just 14 days before the trade's decision.

Suppliers who sit on the trade committee and their counsel declined to comment about the decision.

But the collective vote of the committee came as little surprise, as its members, over the past several months, appeared to be aligning themselves more closely with the banks over the plan for reorganization. In fact, in a filing made with the Bankruptcy Court here last year, the trade creditors committee, in essence, said that the banks were more likely than the debtor to come up with a proposal that had the best inter-

(Continued on page 234)

Ex-chairman of ITT latest player in battle to buy Grace retail div.

By Brad Altman and Milford Prewitt
NHCN staff editors

NEW YORK — Harold Geneen, the former chairman of ITT, is the latest name to surface on the list of candidates interested in buying W.R. Grace & Co.'s retail empire.

Sources said Geneen has bid to pay $700 million for the 660-unit specialty store and home center retail group, which was placed on the selling block Dec. 10, 1985.

"We know Geneen is planning to make an offer because we have all talked to him," said one Grace home center division executive. A Grace corporate spokesman would not comment. Calls to Geneen's office were not returned.

If Geneen's offer is accepted by Grace, it would quash the hopes of executives at several Grace home center divisions who have signed letters of intent expressing their desire to pursue possible leveraged

(Continued on page 233)

Sears readies 1986 rollout of 50 Paint & Hardware stores

By an NHCN staff editor

CHICAGO — After nearly three years of testing and refinement, Sears is set to roll out 50 new Paint & Hardware stores in 1986, with plans to add 50 units a year over the next several years.

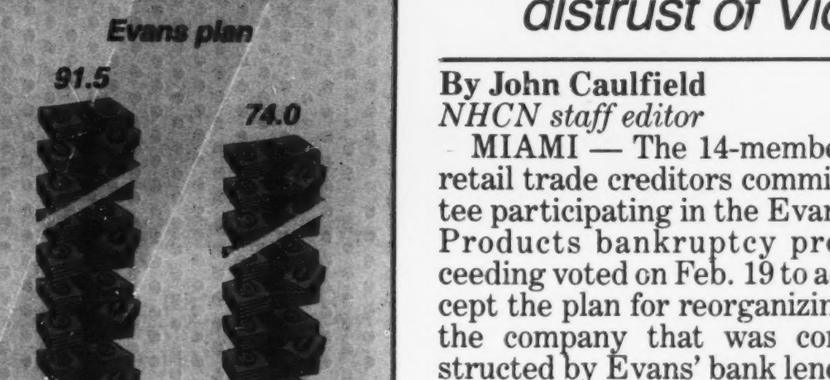
In addition, Sears is simultaneously planning to open 50 of its smaller, 10,000 to 15,000-sq.-ft. department stores in which paint, hardware and electricals are integral product categories.

Both developments promise to significantly bolster Sears' position in the retail paint and hardlines business, which has come under increasing attack from a growing number of home improvement retailers.

Initial plans call for opening the Paint & Hardware stores in selected major metro markets.

Currently, Sears operates 12 P&H units, nine in the Chicago market alone. The

(Continued on page 233)



John Parsons, vice president of [illegible] group, pictured in one of the c[illegible] that the company would look to [illegible] and add clusters of Paint & Hard[illegible] year. *[illegible]provement [illegible]cago units, said [illegible]tne Chicago market units in five cities this* NHCN photos

Lowe's upper ranks revamped as chain moves past $2B mark

By Laura Liebeck
NHCN staff editor

NORTH WILKESBORO, N.C. — Lowe's Companies, the 282-unit home improvement retailer based here, recently restructured its corporate management to facilitate future growth, make way for its next generation of top executives and provide for an orderly management succession.

There were three major changes that combined make Lowe's a more traditionally organized retail operation.

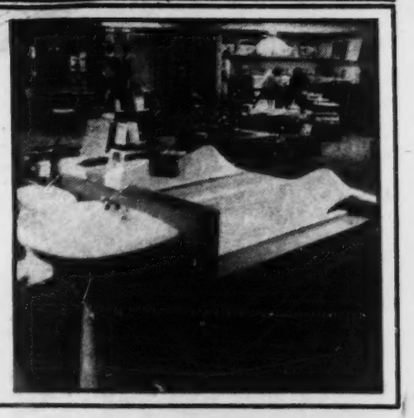
Store operations and sales and merchandising, which were separate organizations, were linked under the leadership of Wendell Emerine, now executive vp in charge of that department. He was promoted from vp-store operations. (*NHCN*, Jan. 13, 1986).

The real estate and expansion department was reactivated, a move that emphasizes its importance at Lowe's and signals its revived role in

(Continued on page 233)

[illegible]ctives cover [illegible]port tide turns [illegible]uality—With [illegible]nd consumer [illegible] for low-quality [illegible]nports falling, dealers are trekking to the Orient and Europe in search of better-grade products to expand their merchandise mixes. **25**

Merchandising: Dixieline launches high-end bath and door program—Dixieline Lumber is offering a new upgraded line of bath, custom hardware and doors, called "Classic Collections," in a 7,000-sq.-ft. showroom in its San Diego unit. **50**



Newsbreaks

FLORIDA, HERE COMES HQ: Home Quarters Warehouse, the W.R. Grace chain of three home centers based in Virginia Beach, Va., will move into its third state this spring in a former Handy City store in Tallahassee, Fla.

STRAIT & LAMP ACQUISITION: Strait & Lamp, a $6 million Hebron, Ohio, independent purchased two Columbus-area yards last month, Fifth Avenue and Linworth Lumber. The purchase is expected to boost the company's revenue to about $18 million.

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Industry Update

Wickes buys last Everitt store

LONGMONT, Colo. — Weyerhaeuser Co. sold its Everitt Lumber unit here to Wickes Lumber, leaving the forest products company with one remaining Colorado home center, in Greeley, a Weyerhaeuser spokesman said.

Last year Weyerhaeuser sold its Everitt Lumber units in Fort Collins and Colorado Springs as first steps in a long-range strategy to end retail store operations.

Pay 'N Pak adds two in Frisco

KENT, Wash. — Pay 'N Pak Stores, Inc., opened warehouse outlets in the San Francisco East Bay cities of San Leandro and El Cerrito on Jan. 15, approximately two months after it held simultaneous grand openings of two warehouses in San Francisco and South San Francisco (*NHCN*, Dec. 16).

The four new units—each containing about 55,000-sq.-ft. sales floors—increase Pay 'N Pak's Greater Bay Area store count to 12 units.

Courtesy to anchor mall

CHICAGO — Courtesy Home Centers will open a second location in Chicago in May—an 80,000-sq.-ft. home center anchoring a 140,000-sq.-ft. strip shopping mall.

Zangwill Munies, president of the chain, said that the effort was a 50% joint venture with his firm and unnamed tenants. The project cost is $7 million including inventory for the home center.

Sales at new Moser unit up 35%

NAPERVILLE, Ill. — Five months after its grand opening, the new Moser Lumber here is enjoying monthly sales gains of 35% over the 26,000-sq.-ft. leased store it replaced, and Moser officials now project the unit's volume this year could hit between $5 million and $6 million.

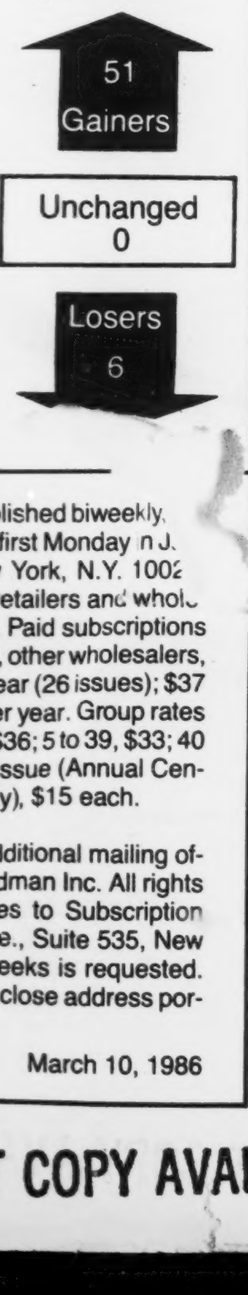
This is the 100th store to convert to the "Do-it" retrofit program of Hardware Wholesalers, Inc., and the first to employ HWI's new "Superstore" concept, opened in October, 1985. The unit is 30,000 sq .ft., with a 20,000-sq.-ft. drive-thru warehouse, and 10,000-sq.-ft. business area.

Grace will exit Utah in May

SALT LAKE CITY — W. R. Grace's only home center in Utah—the Allwood 65,000-sq.-ft. home center in Salt Lake City—is slated to be closed by mid-May, and the facility taken over by a manufacturing company.

Stocks surge;Lowe's gains 6¼

NEW YORK — Home center industry issues continued their impressive surge in late February, as gainers outnumbered losers 51 to 6 on *NHCN's* Home Center Market Summary for the week ended, Feb. 21.



Homecrafters Warehouse was the top performing retail stock in the home center industry, rising by 31.3% to close at $2.63.

Other home center retailers who experienced healthy increases include: Erb Lumber, up 27.8% to a 52-week high of $46; Home Depot, up 21.6% to $14.75; Lowe's, up 21.3% to $35.63; and Wolohan Lumber, up 12.5% to $6.75.

See financial tables, graph, page 232.

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Vol. 12, No. 6 March 10, 1986

Knox LBO scheduled to close in March

By Laura Liebeck
NHCN staff editor

ST. PAUL, Minn. — The ongoing attempt, by Knox Lumber's management, to purchase the company through a leveraged buyout is scheduled to close on March 30, nearly three months behind schedule.

Knox president Richard Miller confirmed that company parent Southwest Forest Industries and the Sterling Group of Houston, an investment banking firm, are "still discussing it [the purchase] and I'm awaiting word."

The definitive agreement to sell the company to a group of investors led by the Sterling Group and which also includes nine Knox executives—a fluctuating number—including Miller, was completed in late January, two months after the principals announced the preliminary agreement on Nov. 25.

The unexpected resignation of Knox vp-administration Glenn Frederickson on Jan 21 complicated the deal.

Frederickson, who was part of the management group attempting to purchase Knox—and who also was part of the ill-fated purchase attempt last summer—told *NHCN* that he changed his mind about the purchase. He said the $29 million price tag plus asssumption of certain liabilities, was "too much" and that the delays worried him. Frederickson also said he was tired of participating in purchase attempts.

Frederickson also said that he was "scared of the transaction and of not having enough money." He charged that the Sterling Group is having trouble securing all the financing— the same trouble Northwest Growth Fund Inc., the investment banking firm, had when it led the purchase attempt last year. The purchase price then was $30 million.

Sterling Group president Frank Hevrdejs could not be reached for comment.

A Southwest spokesman noted that it is still committed to selling the 10-unit retailer headquartered in St. Paul, adding that the delays are because "the purchasers are still working on the financing."

Knox Lumber tallied sales of $118.3 million in 1985, a 7% increase over 1984, Miller reported.

Expansion of the 10-unit company is still on hold until after the buyout, Miller said. Then, he added, Knox will resume its search for another market and the addition of one to two more stores in the Twin Cities.

Calif. independent nearly swallowed by 8-day storm

By Brad Altman
NHCN staff editor

GUERNEVILLE, Calif. — Guerneville Lumber was among numerous businesses and homes severely damaged by the rain-swollen Russian River, which overflowed its banks during a massive winter storm that triggered floods and mudslides throughout California in late February.

"We lost every stick of lumber—and the contents of our main building, which is completely submerged," said William O'Conner, who owns Guerneville Lumber and Ross Road Lumber, a lumberyard in Sebastopol, about 20 miles south of here which escaped the destructive storm unscathed.

While O'Conner began preparations to dig out as floodwaters receded, numerous DIY dealers in rain-struck areas of California were gearing up for an expected increase in business resulting from the violent storm.

At Orchard Supply Hardware, whose 21 units are scattered throughout the rain-battered San Francisco Bay Area, Thomas Thornton, president and ceo, said that in the storm's aftermath he'd seen "a tremendous volume in batteries and we've airfreighted in pumps to have on hand due to anticipated demand."

In Guerneville, a riverfront town where scores of businesses and homes were covered by water, Guerneville Lumber owner O'Conner estimated damages to inventory at about $40,000, adding that the exact property loss had not been immediately calculated. O'Conner toured the site and determined that the main building would be salvageable.

He said the damage at the Guerneville yard was ironic because only last August his lumber inventory was destroyed by fire and restocking had been finished in January.

The Russian River floodwaters rose so quickly, he said, there was no time to move merchandise to higher ground.

"The intensity caught everybody offguard," Ross Road Lumber employee John Mangiafridda said. "The river rose as high as 51 feet—and it reaches flood level at 28 feet."

The flooding was one of the worst consequences of a string of back-to-back storms that brought torrential rain to a wide swath of California over an eight-day period, dumping up to 18 inches of rain in some counties.

The floods and mudslides prompted Gov. George Deukmejian to proclaim emergencies in 12 counties, the first step in applying for federal disaster aid.

Nearly 2,000 homes and businesses were destroyed and nine-storm related deaths and 41 injuries were reported statewide.

"It was like Noah's Ark," said a lifetime resident of northern California. "It rained in buckets."

Highlights in this issue

Perspectives

cover story

IMPORT TIDE TURNS TOWARD QUALITY
The import business isn't what it used to be. Margins have deteriorated and consumers are looking for more than price. *See table of contents —26*

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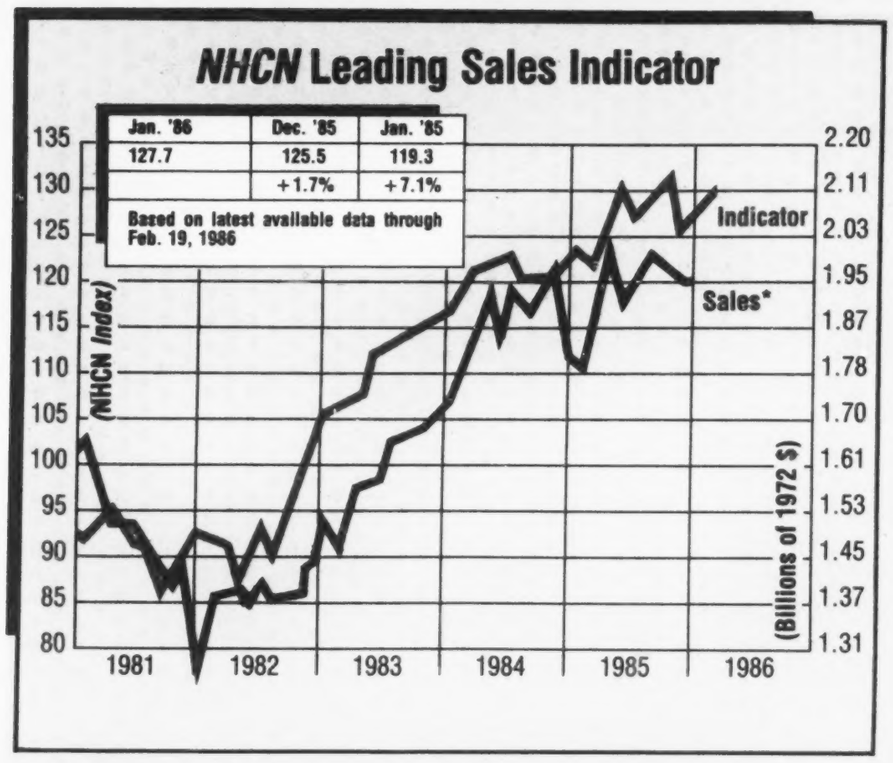
BUSINESS WATCH



*—Monthly retail trade building materials and supplies in 1972$.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

Falling oil prices boost U.S. economy; energy intensive regions face trouble

By Richard E. Mount
Special to NHCN

Falling oil prices have begun to help the U.S. economy. Most parts of the country will benefit, but West South Central states are in trouble.

The drop in crude-oil prices will increase consumer income nationally by $15 billion this year, making housing more affordable and debt burdens more manageable. Inflation will go down another 0.6 percentage points putting less pressure on the Federal Reserve to tighten monetary policy, which reduce inflation psychology in the bond markets.

The economy will rise an extra 0.4 percentage points in 1986, as both consumer and business spending recover.

Richard E. Mount

The outlook for building material and supply store sales in real dollars, as a result, is being raised from 6% forecasted last month for 1986,to 7%. In current dollars, sales are expected now to increase 10.5% this year, to $58.7 billion, revised upward from last month's $57.9 billion forecast. Figures do not include sales of hardware stores, which will also benefit from greater consumer spending. Hardware store are forecasted to account for just under $11 billion in additional retail sales this year.

Higher income and lower interest rates mean sharper gains in housing starts and major additions to existing structures, a plus for contractor sales. Rising employment will boost resale and maintenance markets, good for do-it-yourself sales.

(Continued on page 5)

Home Center Industry Regional Outlook

		1985 1Q	1985 2Q	1985 3Q	1985 4Q	1986 1Q^p	1986 2Q^p	1986 3Q^p	1986 4Q^p	1984	1985	1986^p
***NHCN* Leading Sales Indicator** (January 1980 = 100)		120.2	124.3	125.1	123.4	127.5	127.7	127.8	127.9	117.8	123.3	128.8
Building Material Retail Sales												
Current	**Total U.S. ($ millions) SAAR**	**50,468**	**53,012**	**53,248**	**55,772**	**57,024**	**58,289**	**59,258**	**60,182**	**49,774**	**53,125**	**58,688**
	New England	2,504	2,881	3,205	3,463	3,615	3,672	3,692	3,707	2,743	3,013	3,672
	Middle Atlantic	6,183	7,084	7,341	7,730	7,944	8,155	8,225	8,329	6,373	7,084	8,163
	East North Central	7,226	8,531	8,529	8,857	9,044	9,233	9,416	9,611	7,935	8,286	9,326
	West North Central	3,252	3,837	3,805	3,949	4,003	4,063	4,118	4,159	3,720	3,711	4,086
	South Atlantic	11,089	11,073	10,769	11,394	11,656	11,996	12,308	12,524	10,234	11,081	12,121
	East South Central	2,677	2,894	3,027	3,218	3,290	3,410	3,502	3,605	2,723	2,954	3,452
	West South Central	6,199	6,208	5,772	5,878	5,805	5,876	5,855	5,862	6,089	6,014	5,849
	Mountain	2,678	2,589	2,594	2,694	2,749	2,827	2,898	2,955	2,617	2,639	2,857
	Pacific	8,660	8,107	8,206	8,589	8,919	9,058	9,244	9,430	7,340	8,390	9,163
Constant	**Total U.S. (1972 $ millions) SAAR**	**22,284**	**23,484**	**23,690**	**24,567**	**24,870**	**25,170**	**25,335**	**25,475**	**22,623**	**23,506**	**25,213**
	New England	1,106	1,276	1,426	1,526	1,577	1,586	1,578	1,569	1,247	1,333	1,578
	Middle Atlantic	2,730	3,138	3,266	3,405	3,464	3,521	3,516	3,526	2,896	3,135	3,507
	East North Central	3,191	3,779	3,795	3,901	3,944	3,987	4,026	4,068	3,606	3,666	4,006
	West North Central	1,436	1,700	1,693	1,739	1,746	1,754	1,761	1,760	1,691	1,642	1,755
	South Atlantic	4,896	4,905	4,791	5,019	5,083	5,180	5,262	5,301	4,652	4,903	5,207
	East South Central	1,182	1,282	1,347	1,418	1,435	1,472	1,497	1,526	1,238	1,307	1,483
	West South Central	2,737	2,750	2,568	2,589	2,532	2,537	2,503	2,481	2,769	2,661	2,513
	Mountain	1,182	1,147	1,154	1,187	1,199	1,221	1,239	1,251	1,189	1,168	1,227
	Pacific	3,824	3,591	3,651	3,783	3,890	3,911	3,952	3,992	3,336	3,712	3,936
Per Cent of U.S. Total												
Current	**Total U.S. ($ millions) SAAR**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
	New England	4.96	5.43	6.02	6.21	6.34	6.30	6.23	6.16	5.51	5.67	6.26
	Middle Atlantic	12.25	13.36	13.79	13.86	13.93	13.99	13.88	13.84	12.80	13.34	13.91
	East North Central	14.32	16.09	16.02	15.88	15.86	15.84	15.89	15.97	15.94	15.60	15.89
	West North Central	6.44	7.24	7.15	7.08	7.02	6.97	6.95	6.91	7.47	6.99	6.96
	South Atlantic	21.97	20.89	20.22	20.44	20.44	20.58	20.77	20.81	20.56	20.86	20.65
	East South Central	5.30	5.46	5.68	5.77	5.77	5.85	5.91	5.99	5.47	5.56	5.88
	West South Central	12.28	11.71	10.84	10.54	10.18	10.08	9.88	9.74	12.24	11.32	9.97
	Mountain	5.31	4.88	4.87	4.83	4.82	4.85	4.89	4.91	5.26	4.97	4.87
	Pacific	17.16	15.29	15.41	15.40	15.64	15.54	15.60	15.67	14.75	15.79	15.61
Industrial Production												
Index (1977 = 100)	**Brick**	86.6	87.5	91.3	89.0	91.7	92.6	92.4	91.8	83.1	88.6	92.1
	Cement	103.9	110.0	106.5	105.5	103.7	106.9	106.4	106.1	102.1	107.0	105.8
	Gypsum Mallboard	116.0	127.7	129.6	131.2	131.8	132.7	130.1	125.8	119.2	126.1	130.1
	Hardware	102.2	102.7	100.8	101.5	102.6	103.6	104.6	103.3	100.6	101.8	104.0
	Lumber Products	118.1	121.8	126.1	127.1	127.3	128.2	126.9	125.8	119.0	123.3	127.1
	Paint	102.5	106.0	106.2	87.2	103.2	104.7	105.9	107.1	102.6	100.5	105.2
	Plywood	130.7	137.1	145.0	144.2	144.7	145.2	144.8	141.1	129.5	139.3	144.0

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
Feb. 19, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

BUSINESS WATCH

Declining oil prices begin to boost U.S. economy and building material sales

(Continued from page 4)

States and sales territories with a concentration in finance, services or manufacturing-based economies will expand faster than 7% (in real dollars). Sales in mining and agricultural areas will remain weak until 1987, as local economies are weak and resales were soft last year. Sales in regions dependent on oil will be badly hurt.

West South Central hardest hit

Sales in the West South Central region, already expected to be weak, will be poor. The economies in this region depend on oil and gas drilling, and falling oil prices will close marginal operations. In these states, government revenues are tied to oil prices, and budgets are cut when prices are down. The falloff in both mining and government activity will reduce both retail trade and construction this year.

West South Central housing starts and resales were down sharply last year, unfavorable for building material sales. In the early 1980's, home buyers here, expecting good income gains and home appreciation in the future, made minimum down payments and counted on two-income households. By the mid-1980's the building boom created an oversupply in many cities. Mortgage delinquencies have risen even as home prices decline. The reason: inexpensive rentals incourage many home buyers to default and move to apartments.

Texas will be the least harmed oil state in this region, because its economy is diverse. While energy remains a major sector, finance, insurance, health care, education, agriculture and manufacturing—especially of computers—are increasingly important. But the economy is weak. Employment is up 2% from a year ago, but mining employment is down 4%. Unemployment, 6.8% at year's end, will restrict building material sales.

Building material and supply store sales in the state are estimated to have been about $4.1 billion in 1985, 69% of total sales for the region. Resales were up 4% last year while housing starts fell 27%. Building material sales will be down 5% in 1986.

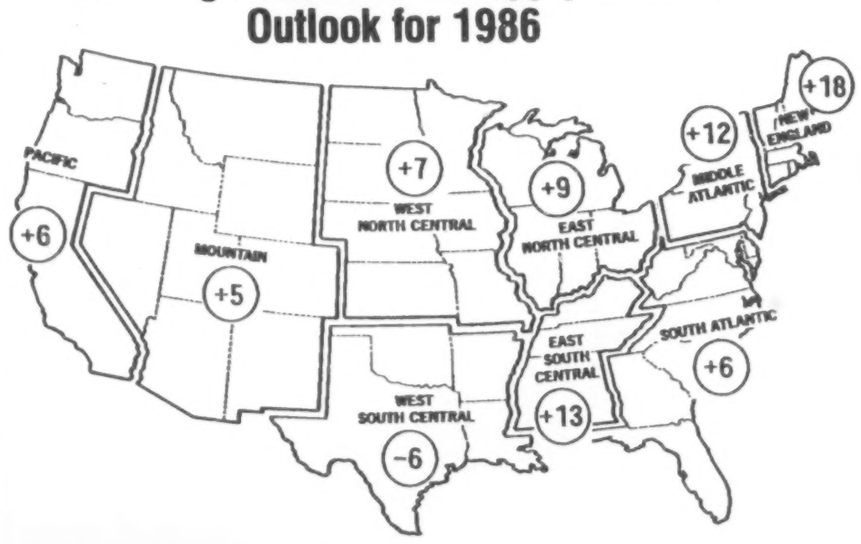
Louisiana lacks the service, finance and manufacturing strengths of Texas, while it has an extensive energy sector. Last year resales fell by 4% and housing starts by 32%. Employment is running 1% behind the pace of a year ago, with mining employment down 5%. The unemployment rate stands at 10.9%. Building material and supply store sales will contract 10% this year.

Oklahoma faces the severest impact from falling oil prices. The state depends heavily on mining and obtains 25% of its revenue from taxes on energy products. The resale market was down 10% last year, and housing starts were off 55%. Employment was unchanged, but mining employment was down 10%. The unemployment rate remained at 6.8%. Retail sales of building materials and supplies will be down 15% this year.

Arkansas is the exception in this region as its economy is based on nondurable manufacturing, especially food products. Resales were up 14% last year and starts rose 5%. Employment rose 1% in 1985 and the unemployment rate has declined to 8.7%. Arkansas' sales of building materials will increase 4% this year.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Ecomomics.

Building material and supply store sales Outlook for 1986



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Merrill Lynch Economics

ColorTile sales up 4.7% in 2Q

FORT WORTH, Tex. — ColorTile, the specialty retailer based here, saw its net income decline 5.1% to $3,243,000, or 34¢ per share, for the quarter ended Dec. 31. During the same period, ColorTile's sales rose 4.7% to $87,158,000.

For the six month period, the 837-unit chain's sales rose 14.8% to $182,173,000, and earnings increased to $6,589,000, or 70¢ per share, representing a 5.9% gain.

During the most recent quarter, ColorTile had an average of 9,418,000 shares of common stock outstanding, slightly above the 9,212,000 shares outstanding in the same period a year ago.

Scotty's Jan. sales rise 8%

WINTER HAVEN, Fla. — Scotty's reported January sales of $35 million, an 8% increase from the year ago period. For the first 30 weeks of the fiscal year that ends June 28, Scotty's sales were up 9% to $265.9 million, from $243.7 million, a year earlier.

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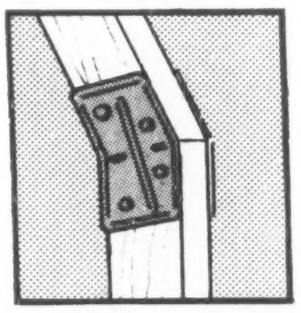

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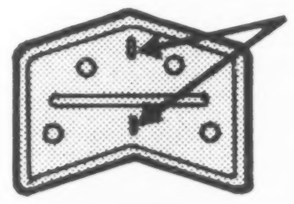

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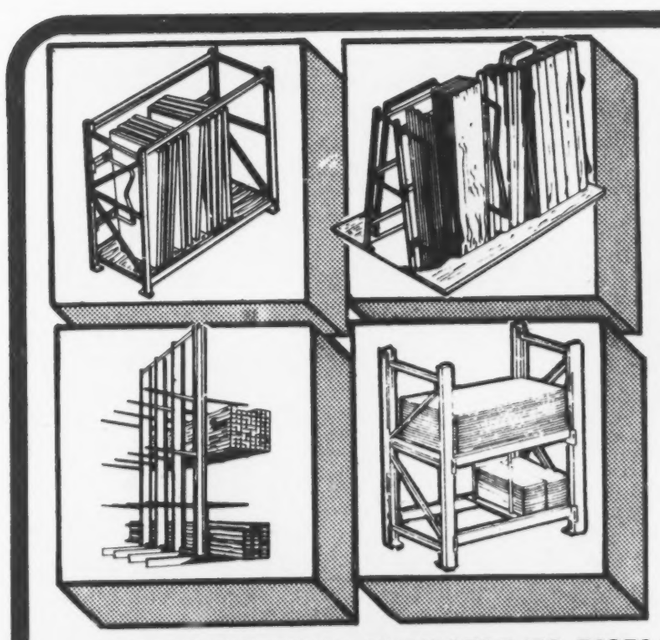

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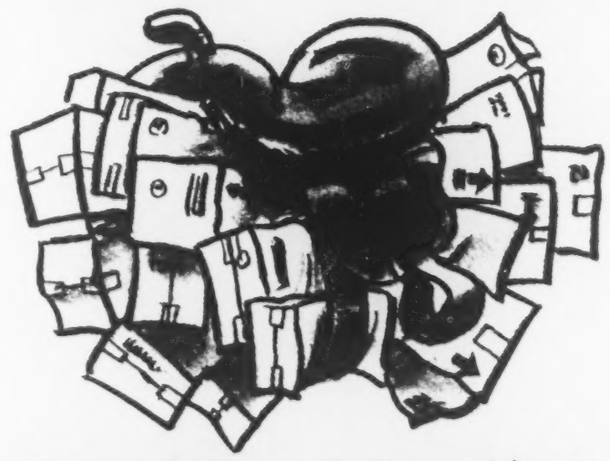

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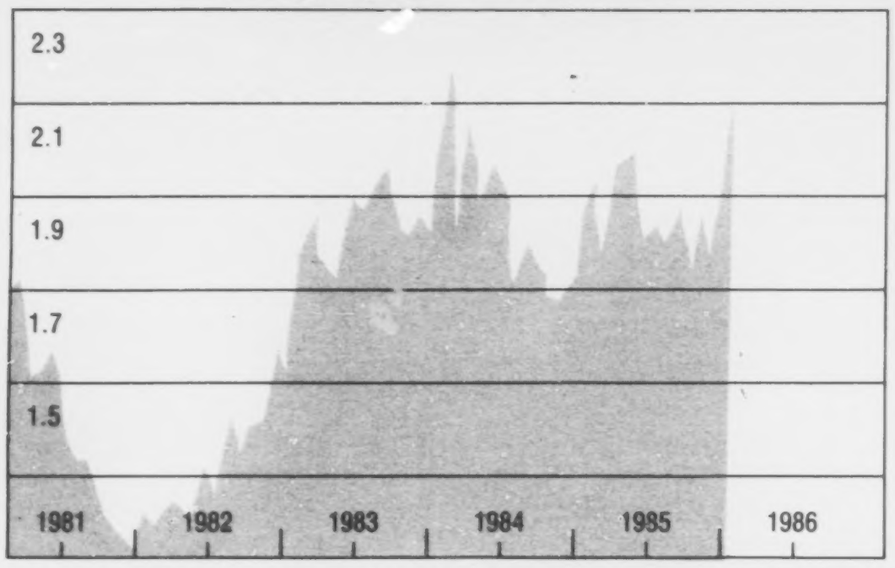
HOUSING WATCH

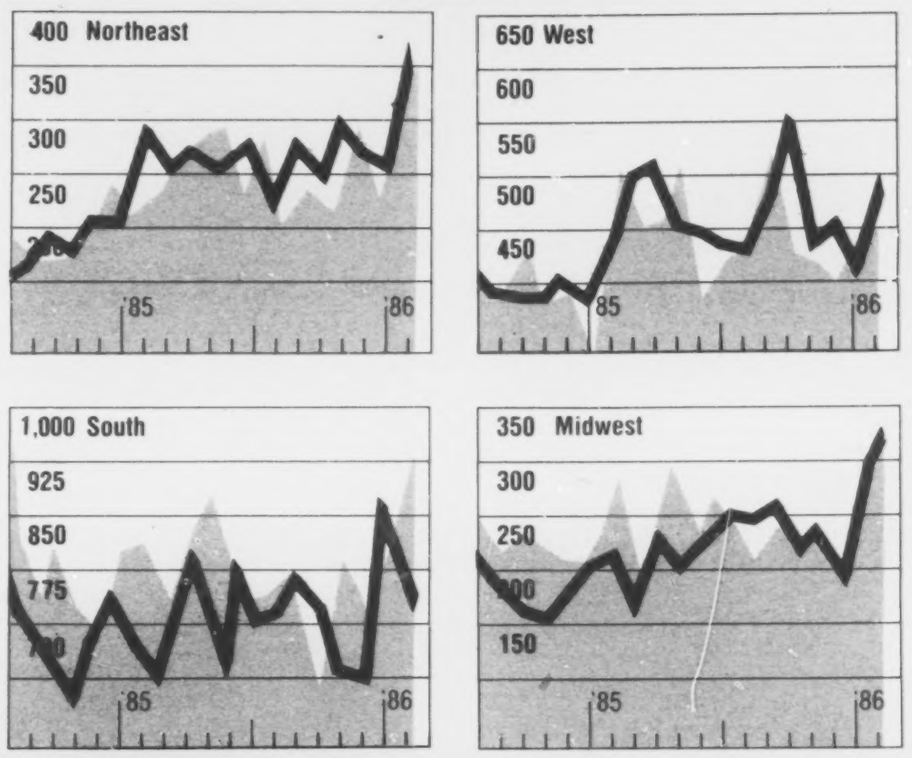
National housing starts and permits
(seasonally adjusted annual rates, in millions)



	Total U.S. starts	Total U.S. permits	Single family starts	Single family permits
Jan. '86	2,088	1,807	1,353	1,083
Dec. '85	1,804	1,873	1,087	978
Jan. '85	1,804	1,635	1,039	903

KEY
⌂ Starts
⌂ Permits

Regional housing starts and permits
(in thousands)



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Jan. housing starts jump 16% over Dec.

By an NHCN staff editor

NATIONAL REPORT — Housing starts activity in January totaled nearly 2.1 million units, seasonally adjusted, almost 16% ahead of December's surprisingly strong showing, leaving some housing experts optimistic but cautious about activity for 1986.

"These are seasonal numbers," asserted Dean Crist, research economist with the National Association of Home Builders. "They take into account annual activity. It's only one month and one month doesn't make a trend."

George Sternlieb, director of the Center for Urban Policy Research at Rutgers University in Brunswick, N.J., also noted that January is usually "a very noisy month. Starts are relatively small and the (seasonal) multiplier is high. But it certainly shows promise for 1986."

The NAHB is projecting starts for this year will be 1.622 million units, a number officials there are already saying will soon be revised upward, probably to 1.65 million units.

Housing starts for 1985 were 1.73 million units, according to the NAHB.

Despite the high seasonally adjusted starts, both housing experts noted that the nation's actual housing number for January was 119,400 units, up from 115,000 units in December. The single-family starts number was 72,900 units, up from 65,500 units.

Regional Housing
(in thousands)

	Jan. starts	% chg.	Jan. permits	% chg.
Northeast	352	+28	283	+ 2.5
West	457	+ 2	497	+13.0
South	959	+17	759	−12.0
Midwest	320	+22	331	+12.0

"January in actual terms was an excellent, excellent month," Crist commented.

In addition to the rise in total housing starts, single-family housing starts for January were up 25% to 1.35 million units, seasonally adjusted, with all four regions recording increases. Permits, however, were down by .2% from December, to 1.87 million units, but single-family permits were up nearly 11%, to 1.08 million units, seasonally adjusted.

The South was the only area to record a permit decline in January. The region was down 12% in new permits for the first month of 1986, to 759,000 units, seasonally adjusted. The January number is 8.6% ahead of the corresponding month in 1985. Housing starts here were up 17% to 959,000 units, seasonally adjusted, 18% ahead of January 1985.

Compared to January 1985, housing starts are up nearly 16% and single family starts are ahead by 30% nationwide. Total permits, however, dropped by .2% from last January but single-family housing permits increased by 11% in the one year period.

16

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LUMBER REPORT

EPA sets deadline for voluntary treated wood product warnings

WASHINGTON, D.C. — The Environmental Protection Agency (EPA) has given the pressure treated wood industry a deadline with an implied threat: "do it right or we'll do it for you!"

What the industry has to do is establish a voluntary Consumer Awareness Program through point of sale literature for retailers, wholesalers and contractors that identifies the chemicals in treated wood and the hazards involved if the lumber is worked with improperly.

If the industry fails to convince the EPA by September that their collective effort to distribute the literature has not reached wide enough exposure, the federal government may impose a mandatory rule forcing them to do it.

One of the adverse repercussions of the volunteer plan, should it prove to be ineffective, could be the EPA ordering the manufacturers to stamp their products with a label warning that it contains toxic substances.

"From a marketing standpoint, I can't begin to tell you how distressing that must sound to a manufacturer," said Ward Hitchings, director of government specifications for the National Forest Products Association. "If it comes to that, it's almost like saying that treated wood is some kind of hazardous material, when it's not.

"They've told us if there is poor implementation of the program, they have the authority to make it much more difficult, even insisting on a label on the wood. It'll be just like a pack of cigarettes."

The voluntary agreement comes from an out-of-court settlement reached last September that concludes a lengthy (and deliberately under publicized) environmental debate between the EPA and the pressure treated lumber industry over the chemicals used to preserve wood.

The issue, which has its roots in the Toxic Substances Control Act of 1976 and the Federal Insecticide, Fungicide, and Rodenticide Act, deals with the proper registration for the three key chemicals used to make wood invulnerable from decay and insect infestation, namely, inorganic arsenicals, creosote and pentachlorophenol.

Shortly after passage of the legislation, the industry initiated an expensive legal challenge to the EPA when agency rule makers suggested removing the chemical agents used to treat wood from the environment by cancelling the registration of the substances.

Had the EPA's ban become law, more than 70% of the pressure treated wood industry would have gone out of business, according to George Eliades, president of the Society of American Wood Preservers.

Eliades said the proposal outraged treated wood manufacturers who responded by financing a battery of scientific and medical studies to rebuff the EPA's recommendation. Eliades said the test showed minimal hazards posed by the chemicals in treated woods when properly used.

"What this showed is just the difference between a law and the rules that are made to enforce the law," Eliades said. "This industry has been around for 150 years and there is no record of anybody ever dying from some chemical in treated wood. We have a remarkably clean record.

"I don't think the EPA ever understood that people by and large are not coming into contact with these chemicals the way they think they are."

Nevertheless, the industry is stuck with the EPA looking over its shoulders for the time being until it can be proven that the public at large has been presented with information about wood chemical preservatives.

As the plan stands now, each of the three chemicals that are used to preserve wood will have its own consumer information sheet with standardized language that cannot be edited or altered. Although the companies are permitted to print firm logos and other marketing/promotional text on the sheets, they are not allowed to include any language that contradicts the information about the chemicals.

The way the program works is that treated wood manufacturers will produce and distribute the signs, placards and sheets to their wholesalers and retailers. In turn, the latter group is expected to display the material in prominent areas in their stores to ensure that consumers know the sheets are available.

Each sheet, the text of which fills a regular 8½ by 11-in. piece of paper, contains safety-oriented information on handling pressure treated wood, disposing of it and the site precautions that should be maintained.

For example, in the case of inorganic arsenicals—the most common wood chemical preservative used for decking and fencing in the DIY market—among the do's and don'ts are to refrain from burning the scraps; to avoid cutting the lumber in an enclosed space; to wash hands and face after working with it and to never use the wood for countertops or cutting boards.

"A lot of it is really common sense that you would follow anyway, whether it was treated or nontreated wood," said Hitchings.

Sometime in June, an independent contractor will perform a nationwide "audit" from a questionnaire (currently being written with EPA approval) to assess how suceessful the volunteer program has been. The findings will be submitted to the EPA in September. If the agency finds less than satisfactory results, the EPA could impose much stricter regulations.

While manufacturers generally do not seem to be to disturbed by the involvement of the EPA looking over their shoulders, they are worried that lackadaisical support from retailers could escalate federal monitoring of the industry.

"If this program fails because retailers did not get behind it, the EPA is going to make it mandatory under penalty of law that they display this material," Eliades said. "and if it's still not done, there are provisions for fines and even imprisonment under the Toxic Substances Control Act.

"So retailers have a lot at stake here from a liability standpoint. It'll just make good sense for them to establish good faith with their customers.

While the industry has been promoting the distribution of the sheets since about November, some treated wood manufacturers have been issuing literature similar to the consumer volunteer awareness program for several years. This early effort was in part a response to the growing ferment to protect the environment from toxic substances, but also to deflect civil suits.

FUTURES

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.
Two weeks ended Feb. 13, 1986

	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
Mar. '86	145.40	137.40	145.30	138.20	2,717	195.00	136.60
May	147.60	140.40	147.40	140.80	1,929	176.40	140.00
July	150.50	144.30	150.10	144.50	768	183.40	144.00
Sept.	152.00	147.00	152.00	147.60	417	180.00	145.50
Nov.	150.90	147.00	150.90	147.20	113	166.90	146.00
Jan. '87	154.00	151.90	154.00	150.80	24	173.50	150.00
Mar.	158.00	154.00	158.00	153.00	5	168.00	153.00

Total Contract Volume (thru 2/13): 10,048 — **Previous week: 5,916**
Total Open Interest (thru 2/13): 5,973 — **Previous 2 weeks: 10,762**
Cash Prices: $147.00 — **Last week: $145.04** — **Year ago: $148.96**

CME—Chicago Mercantile Exchange
*Figures for Thursday, Feb. 13.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Perspectives

Electricals growth rate to rise in 1986 but lag behind building industry

By an NHCN staff editor

WASHINGTON — Growth rates for lamps, switches, dimmers and other electric lighting and wiring equipment will be up in 1986, but won't keep pace with the building industry as a whole, U.S. Department of Commerce economists report. They said that most of the moderate gain predicted for construction will be in residential starts, which use fewer electrical products than other types of building.

"Shipments by lighting and wiring equipment industries are expected to expand approximately 2.9%," economists said. The key to "any more substantial improvement" in the outlook for lighting and wiring devices is lower interest rates to stimulate new building starts.

Forecasts for the current-carrying device sector of the industry—lamp holders, outlets, plug caps, connectors, switches, dimmers and flourescent starters—are the brightest. Value of shipments for these devices is predicted to increase 4% after inflation in 1986. The rate of increase for current-carrying wiring, however, has fallen steadily since 1982. Growth was up 11% in 1982-83, 8.1% in 1983-84 and 6% in 1984-85.

The value of all wiring device shipments (1982$ adjusted for inflation) was just over $5.5 billion in 1984 and should be over $6 billion by 1986. Economists expect the current-carrying wiring industry to continue to expand at a rate of about 3% per year. They warned, however, that "this outlook is based on the premise that total new construction expenditures will grow at an annual rate of 2.5% to 3% during the same period."

Even with stimulation by "a revitalized construction market," Governement economists estimate that shipments by the lighting fixture industry will register only a 1.7% gain for 1985. Growth in 1984 was up 6.6%.

Residential lighting fixtures should see the industry's biggest gain in 1986—up 8% in real dollars to $1.9 billion, according to researchers. Shipments of residential fixtures leaped in real dollar value in 1982-83 and 1983-84, up 13.3% and 16.7% but rose only 3.6% in 1984-85.

Commercial lighting fixtures are expected to increase an inflation-adjusted 2% in shipment value, continuing their steady growth of the past four years. Value of commercial fixture shipments rose 1.4% in 1982-83, 0.7% in 1983-84, and 2.6% in 1984-85. The real dollar value projected for 1986 is up 5% to $2 billion, according to Department of Commerce figures.

Like other sectors of the electric and wiring industry, the 1986 outlook for lighting fixtures depends directly upon increased new building and the market for retrofit and modernization work.

The long-term prospects for the industry also parallel the building forecast. If predictions on building starts materialize, economists project the lighting fixture sector to grow at a compound annual rate of about 3% in the 1986-90 period.

U.S. demand for lighting fixtures & electrical wiring equipment 1982-86

(in $ millions)

	1982	1983	1984	1985*	1986**	Per cent change 1982-83	1983-84	1984-85	1985-86
Lighting fixtures									
Value of shipments	4,052	4,322	4,776	5,020	5,341	6.7	10.5	5.1	6.4
Value of shipments (1982 $)	4,052	4,225	4,506	4,584	4,685	4.3	6.6	1.7	2.2
Wiring devices total (1982 $)	4,910	5,059	5,544	5,826	6,031	3.0	9.6	5.1	3.5
Noncurrent carrying (1982 $)	2,400	2,260	2,517	2,618	2,696	– 5.8	11.4	4.0	3.0
Current carrying	2,510	2,799	3,027	3,208	3,336	11.5	8.1	6.0	4.0

*Estimated
**Forecast
Source: U.S. Department of Commerce

The growth rate for electricals is expected to rise in 1986, but won't keep pace with the building industry as a whole. Forecasts for the current carrying device sector of the industry are the brightest, with predictions of a 4% increase in value of shipments.

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Perspectives

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U.S. demand for coating and adhesives 1982-86
(in $ millions)

	1982	1983	1984	1985*	1986**	Per cent change 1982-83	1983-84	1984-85	1985-86
Paints & allied products									
Value of shipments	9,162	10,195	11,724	12,603	—	11.3	15.0	7.5	—
Value of shipments (1982 $)	9,162	10,109	11,292	11,747	12,110	10.3	11.7	4.0	3.1
Adhesives & sealants									
Value of shipments	2,857	3,119	3,680	3,967	—	9.2	18.0	7.8	—
Value of shipments (1982 $)	2,857	3,076	3,574	3,753	3,903	7.7	16.2	5.0	4.0

*Estimated
**Forecast
Source: U.S. Department of Commerce

Paints, coatings and allied products will reach a real dollar value of $12.6 billion, a gain of 7.5%, in 1986. The adhesives and sealants sector should record a 7.8% rise to $3.9 billion. The percentage of growth for paint products in 1985 was sharply down from gains in previous years. Estimated growth for adhesives and sealants was also well below 1983-84 gains of 18%.

Feds forecast coatings and adhesives market gain of 7.5% in 1986

By an NHCN staff editor

WASHINGTON — Strong economic conditions and increased product demand triggered improvements "in both quantity and value" in the coatings and adhesives industry in 1985, Government economists report.

Paints, coatings and allied products will reach a real dollar value of $12.6 billion, a gain of 7.5% in 1986, according to Department of Commerce estimates. The adhesives and sealants sector should record a 7.8% rise to $3.9 billion.

The percentage of growth for paint products in 1985 was sharply down from gains in previous years—11.3% in 1982-83 and 15% in 1983-84. Estimated growth for adhesives and sealants was also well below 1983-84 gains of 18%.

Building growth a key

While improvement is expected to continue in 1986 with shipment value gaining an inflation-adjusted 3.1%, the growth is "contingent upon moderate growth in the construction industry and other major consumer markets," forecasters said. For the long term, economists see continuing growth of about 3% per year into the late 1980's.

"Some of the conventional markets will continue to change and require new approaches," they said. Materials such as vinyl siding, wall covering, wood paneling and glass may create pressure from development of new coatings "requiring different formulations, raw materials and application techniques."

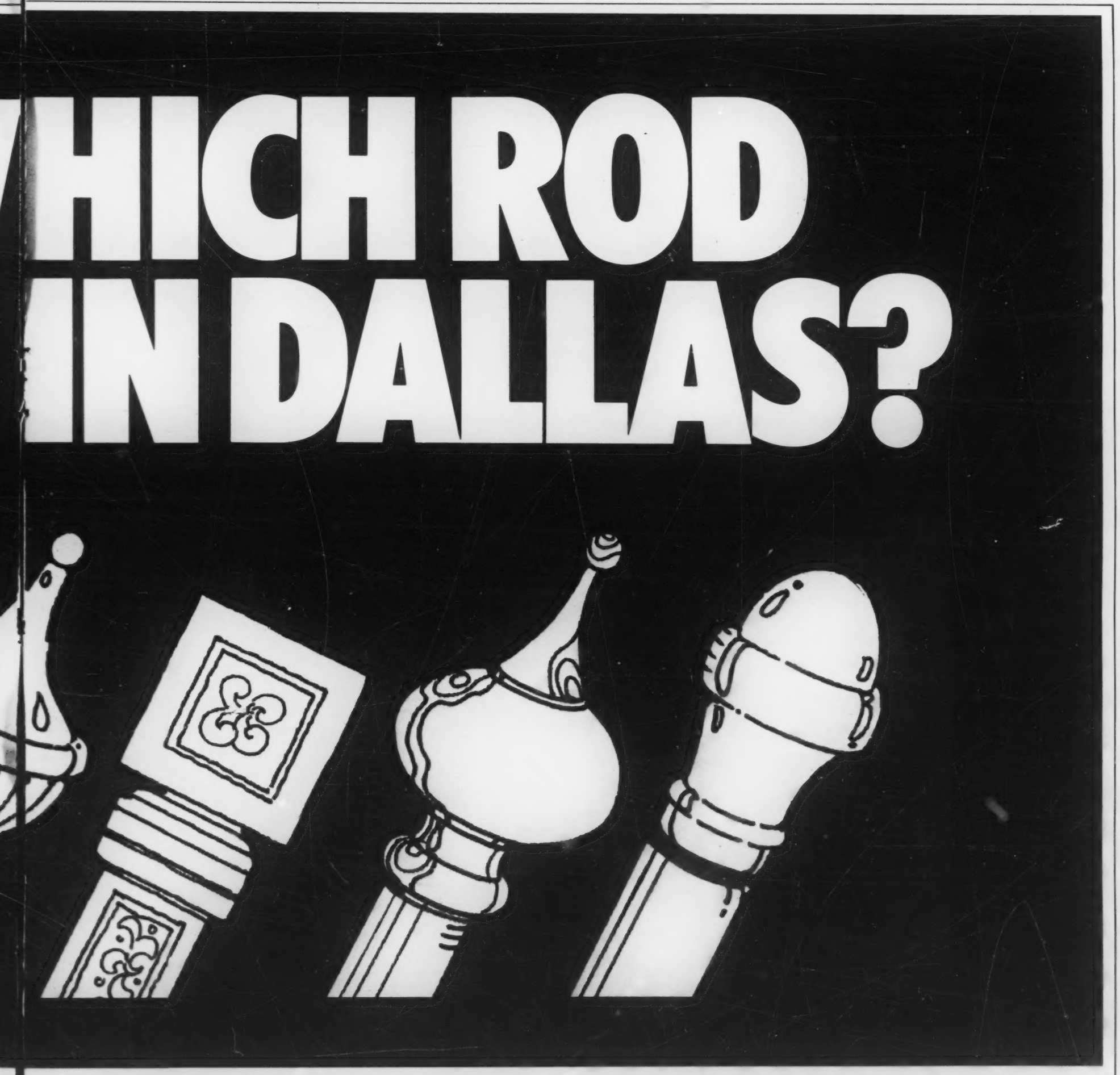
Adhesives and sealants, formulated products similar in makeup and design to paint and coatings, benefitted from the strong demand in 1985 that boosted industry shipments 7.8%. Shipment value of these products rose to an estimated $3.9 billin real dollars in 1985. According to researchers, synthetic resins and rubber-based adhesives acconted for 62% of the shipments; sealants and caulking compounds (natural based and synthetic) for 20%; natural-based adhesives, 6%; and other adhesives and sealants, 12%.

Long term outlook bright

Economists forsee a bright long-term outlook for the industry, following the predicted inflation-adjusted 4% rise in shipment value in 1986.

"High-performance adhesives and sealants are gaining acceptance in a wide variety of applications," researchers said, and the development and use of new materials are creating demands for improved and new adhesives." For example, they cited the bonding of plastic to plastic and ceramics to other high-performance materials which is creating "new opportunities" for adhesives manufacturers.

"Research and development will continue to be the controlling factor in the introduction of new products," according to researchers. "Growth will be based on the ability of adhesives to reduce the weight, increase the strength and improve the quality of products, while reducing manufacturing costs."



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National Home Center Show
Booth #H-715

Perspectives

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U.S. demand for wood products 1982-86
(in $ millions)

	1982	1983	1984	1985*	1986**	Per cent change 1982-83	1983-84	1984-85	1985-86
Wood panel products									
Value of shipments	5,073	6,295	6,906	7,040	—	24.1	9.7	1.9	—
Hardwood Plywood	1,304	1,537	1,600	1,500	—	17.8	4.1	– 6.3	—
Softwood Plywood	3,222	4,063	4,456	4,600	—	26.1	9.7	3.2	—
Particleboard	547	695	850	940	—	27.0	22.2	10.6	—
Structural wood members									
Value of shipments	848	1,134	1,176	1,165	—	33.8	3.7	– 1.0	—
Value of shipments (1982 $)	848	1,059	1,091	1,102	1,135	24.9	3.0	1.0	3.0
Millwork									
Value of shipments	4,248	5,627	5,908	5,967	—	32.5	5.0	1.0	—
Value of shipments (1982 $)	4,248	5,141	5,351	5,276	5,637	21.0	4.0	– 1.4	6.8
Hardwood dimension & flooring									
Value of shipments	913	1,054	1,208	1,258	—	15.5	14.7	4.1	—
Value of shipments (1982 $)	913	1,023	1,047	1,057	1,082	12.0	2.4	1.0	2.4

*Estimated
**Forecast
Source: U.S. Department of Commerce

Particleboard was the wood product industry's big winner in 1985. Constant dollar shipments are expected to be 9.6% greater in 1985 and a 5% gain is predicted for 1986.

Economists forecast continued improvements in major wood markets

By an NHCN staff editor

WASHINGTON — "Continuing improvements in major markets" of the wood products industry are forecast by Government economists, even though "serious pricing and profitability problems" will probably persist in 1986.

Wood products to benefit from projected start rise

Researchers for the U.S. Department of Commerce expect wood products to benefit from the predicted rise in new housing starts in 1986, up 6% to 1.8 million units. Economists also predict advances of 3.6% in other wood market areas. Barring legislation to constrain Canadian wood imports, however, depressed prices caused by oversupply will continue to affect the industry profit picture.

Lumber industry shipments, especially hard-hit by Canadian competition, are expected to drop about 1% according to researchers. The predicted drop continues the 1985 trend when shipments declined 1.7% in the first five months. Production was stimulated slightly late in the year by increased demand from the repair, renovation and remodeling sector, researchers reported. Total 1985 productin of 37.2 billion bd. ft. brought the shipment value of lumber to $13 billion in real dollars.

Economists expect the value of U.S. lumber shipments to grow at an annual rate of about 1.5% over the next five years, but said "demands for lumber will be dependent to a great extent on the level of residential construction, which is forecast to be fairly stable."

Millworks upward trend continued into 1985

Fabricated millwork, used in doors, windows, molding and other building and remodeling products, began an upward trend in 1984 which continued into early 1985. Millwork is predicted to increase real dollar shipment value by 1% in 1985, according to Government forecasts. The value of shipments is estimated at $5.9 billion and is expected to rise 6.8% in 1986. Much of the increased demand will come from renovating and remodeling.

"Shipments of softwood plywood and veneer products measured in 1982 dollars are expected to remain essentially flat in 1985," economists said. An increase of 3%, in all structural panel products, however, is predicted for 1986. Value of softwood/plywood—$4.6 billion in real dollars in 1985—is estimated to grow 3% in 1986.

Particleboard a big winner in wood industry

Particleboard was the wood product industry's big winner in 1985.

"Constant dollar shipments by the particleboard industry in 1985 are expected to be 9.6% greater than 1984," researchers said. An additional 5% gain is projected for 1986 if the several construction industry sectors improve as forecast. About 55% of the demand for the reconstituted nonveneer panels is for construction end uses.

The value of particleboard shipments have risen steadily since 1982, according to Department of Commerce records. The shipments value in real dollars is predicted to reach $940 million in 1985.

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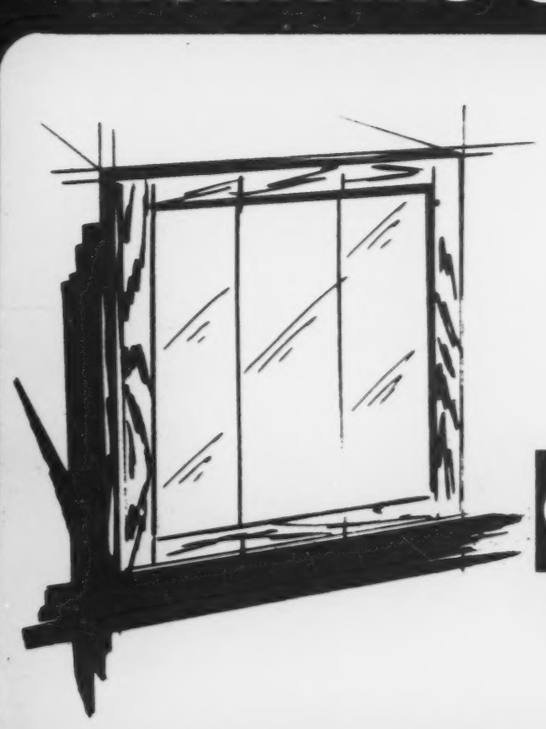

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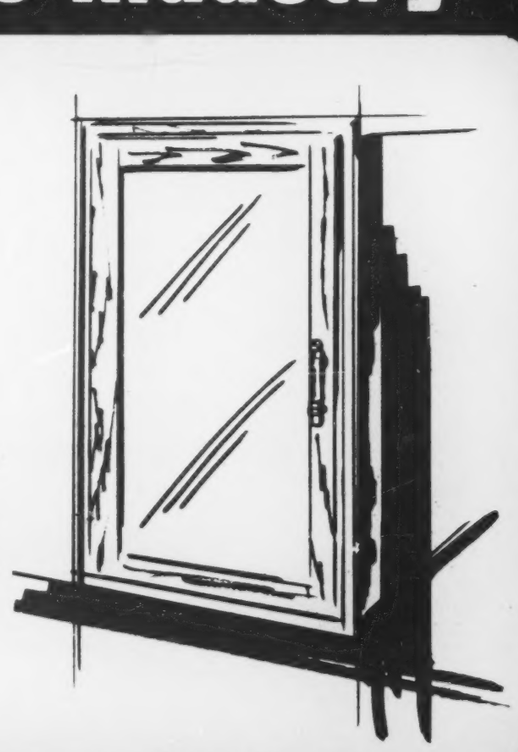

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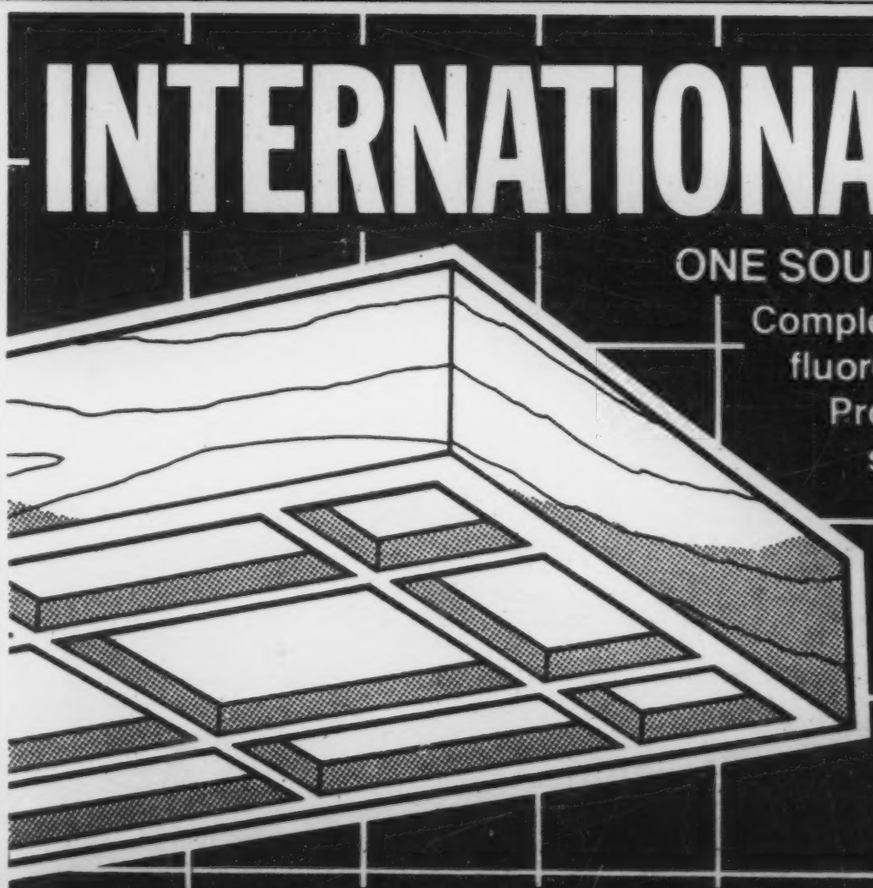

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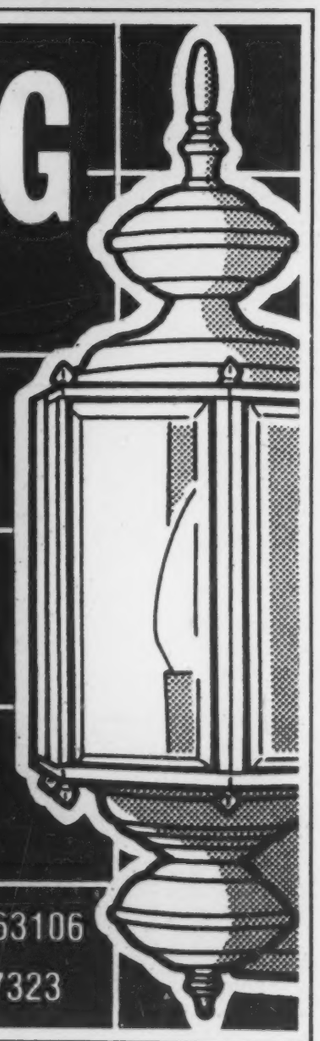

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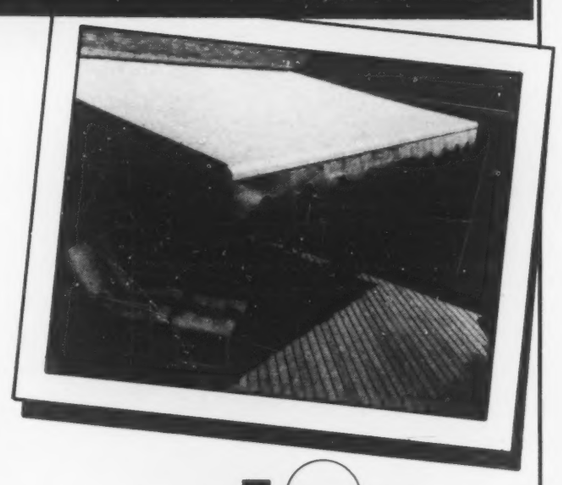

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Perspectives

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U.S. demand for construction materials: 1982-86

(in $ millions)

	1982	1983	1984	1985*	1986**	Per cent change 1982-83	1983-84	1984-85	1985-86
Concrete block & brick									
Value of shipments	1,302	1,582	1,735	1,900	—	21.5	9.7	9.5	—
Value of shipments (1982 $)	1,302	1,553	1,635	1,700	1,790	19.3	5.3	4.0	5.3
Brick & structural clay tile									
Value of shipments	657	837	910	945	—	27.3	8.8	3.8	—
Value of shipments (1982 $)	657	744	830	840	880	17.8	7.2	1.2	4.8
Flat glass									
Value of shipments	1,666	1.930	1,957	1,805	—	15.9	1.4	−7.8	—
Value of shipments (1982 $)	1,666	1,860	2,000	2,020	2,060	11.7	7.5	1.0	2.0
Gypsum products									
Value of shipments	1,289	1,710	2,250	2,160	—	32.6	31.6	−4.0	—
Value of shipments (1982 $)	1,289	1,544	1,700	1,680	1,750	19.8	10.1	−1.2	4.2

*Estimated
**Forecast
Source: U.S. Department of Commerce

Forecasters are calling for modest gains in the building material industry in 1986. Gypsum shipments continue their seesaw progression with 1984 shipments valued at $2.2 billion, an increase of almost 32% from 1983, and 1985 shipments plummeting 4%. The inflation-adjusted prediction for 1986 calls for an increase of slightly more than 4%. The gypsum market is currently benefitting from the alteration and repair market.

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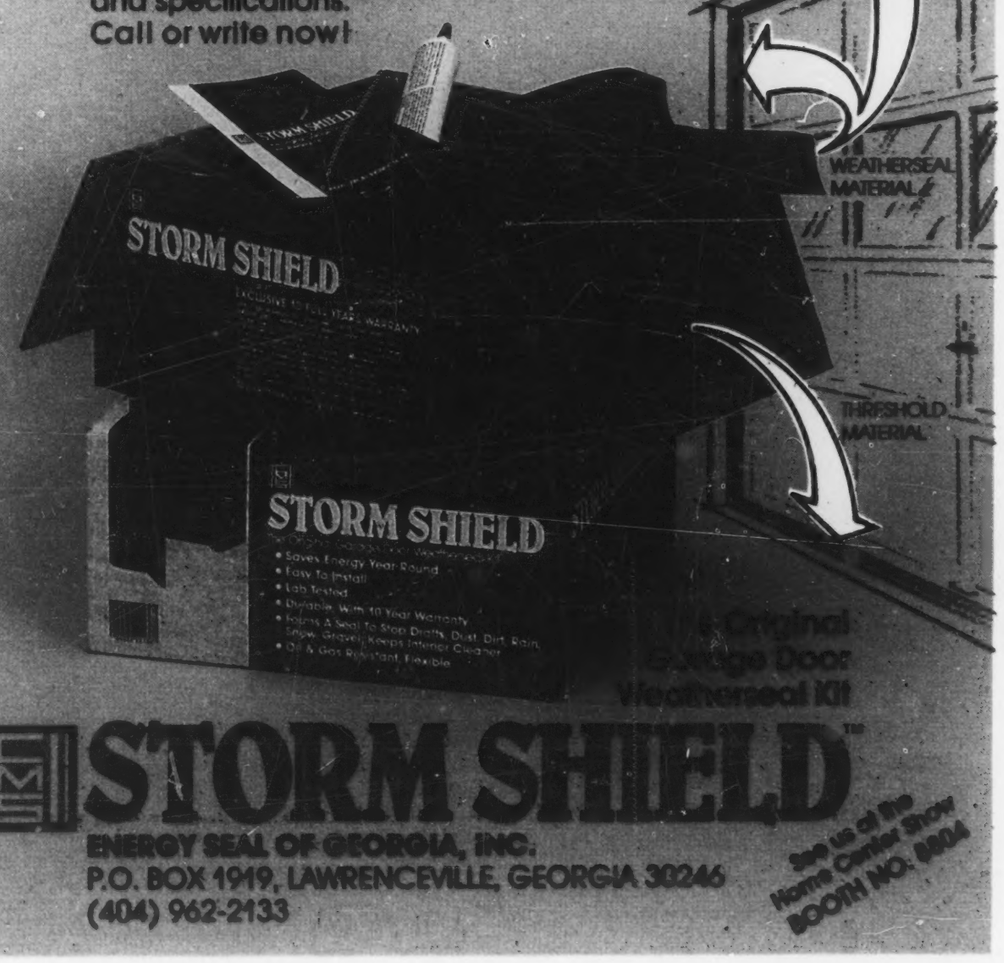
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Outlook for building supply gains modest

By an NHCN staff editor

WASHINGTON — At best, growth in glass, brick, concrete block and gypsum markets will be "slow" or "modest" in 1986. The cautious outlook for these building supplies depends on "an expected increase in housing starts" and minimal "adverse effects" from budget cuts and tax reform, according to U.S. Department of Commerce forecasters.

"Among the factors affecting the demand for construction materials in 1986 are interest rates, inflation, availability of investment funds, and the ultimate direction of tax reform and budget reduction," Government researchers said.

Forecasts call for the four year upturn in housing starts to continue, and improved existing home sales to "boost" demand for construction materials by small contractors and do-it-yourselfers. But researchers qualify their predictions, warning that original tax proposals and revisions by the President are expected "to have adverse effects" on investment in private construction activity and real estate."

A 2% to 3% growth after inflation in construction material output is anticipated in 1986, up slightly from the 1% gain last year—but down sharply from the 1983 and 1984 gains of 15% and 12%.

Following the trend of the building material industry at large, flat glass shipments rose an estimated 1% in 1985, compared with gains of 11% in 1983 and 8% in 1984.

Researchers are predicting an inflation-adjusted rise of 2% in 1986, based on "an expected increase in housing starts." Flat glass prices have declined since early 1984. As a result, despite a slight increase in volume (1%) last year, the total value of shipments dropped 7.8%.

The concrete block and brick industry saw shipments move upward 9.5% to $1.9 billion last year. After inflation, shipment values should rise another 5.3% in 1986.

Like flat glass, the quantity of brick and clay tile shipments only increased an estimated 1% in 1985. An inflation-adjusted 5% rise in shipment value is predicted in 1986, still well below the growth percentage in 1983-84.

Predictions for the industry in 1986 are based on "the expected gain in single-family housing construction," according to forecasters, since residential housing continues to be the major market for clay brick. In 1984, brick was used as a siding material on 26% of all new single-family homes in the United States.

Gypsum shipments in 1984 were valued at $2.2 billion in real dollars, an increase of almost 32% from 1983. Following the sharp rise in 1984, shipment values fell 4% in 1985. The inflation-adjusted prediction for 1986 calls for an increase of slightly more than 4%.

The gypsum industry is benefitting "not only from increased building construction," economists said, "but also from growing use of gypsum board in mobile homes, and from strong activity in the additions, alterations and repairs market" where "fix-up" expenditures are expected to continue their two-year rise.

FINANCIAL NEWS

The Retail Stock Index is calculated for each of the past 52 weeks by multiplying the market value of home center issues (combined price divided by total shares oustanding) by a constant which adjusts the index to show its relation to performance of the S&P 500 Index over the past 52 weeks.

MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Mich General ..... A	8,856	346.3	24.1
Erb Lumber ..... M	150	342.1	27.8
Home Depot ..... N	22,511	319.6	21.6
MacMilln Bldel ..... N	585	280.0	3.4
Forest City Ent ..... A	153	245.5	- 8.7
Owens Corning ..... N	14,918	240.8	9.0
Wolohan Lumber ..... M	1,736	216.0	12.5
Payless Cash ..... N	23,075	209.8	11.3
Newell Co ..... N	2,240	208.5	8.9
Armstrng Wrld ..... N	8,839	202.5	7.8
Std Brd Pnt ..... N	4,152	186.7	5.3
Certain-teed ..... N	2,739	176.9	7.8
La Pacific ..... N	10,322	173.8	10.5
Color Tile ..... M	8,657	166.2	6.3
Clopay Corp ..... A	197	164.6	32.3
Lewis Palmer ..... M	1,454	154.8	8.2
Svc Merchandise ..... M	41,123	152.4	19.6
Lowe's Cos ..... N	16,565	151.1	21.3
Masco Corp ..... N	16,689	150.0	5.9
USG Corp ..... N	11,452	143.3	1.8

Volume Trend Change—% difference between "2-weeks shares traded % out" and "12-week avg. vol. as % of out."

PRICE MOVEMENT

Company & Market	2-Weeks Ended 2-21-86	2-Week Price Change	Total 2-Week Volume
TOP GAINERS	$	%	(100)
Clopay Corp ..... A	16.38	32.3	197
Homecrafters Whse ..... M	2.63	31.3	602
Erb Lumber ..... M	46.00	27.8	150
Mich General ..... A	4.50	24.1	8,856
Home Depot ..... N	14.75	21.6	22,511
Lowe's Cos ..... N	35.63	21.3	16,565
Svc Merchandise ..... M	13.75	19.6	41,123
Walter, Jim ..... N	51.13	14.2	8,188
Sherwin-Wms ..... N	56.13	12.5	4,255
Emhart Corp ..... N	37.25	12.5	4,030
TOP LOSERS	$	%	(100)
Natl Lumber ..... M	4.00	- 11.1	725
Manville Cp ..... N	6.88	- 9.8	11,224
Forest City Ent ..... A	22.25	- 8.7	153
Wickes Cos ..... A	4.50	- 5.3	44,744
K mart Cp ..... N	37.13	- 2.9	45,433
Mor-Flo Inds ..... M	17.88	- .7	251
Zayre Corp ..... N	64.75	1.2	5,717
Natl Gypsum ..... N	46.63	1.4	11,758
DeSoto Inc ..... N	37.13	1.7	545
USG Corp ..... N	58.00	1.8	11,452

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 2-21-86 $	2-Weeks Change Amt. $	2-Weeks Change Pct. %	2-Week Range High $	2-Week Range Low $	52-Week Range High $	52-Week Range Low $	Volume: 2-Weeks Shares Traded Total (100)	2-Weeks Shares Traded % Out %	12-Week Avg. Vol. As % Out %	Volume Trend Change %	P/E Ratio -	Indicated Divd. Rate Amt. $	Indicated Divd. Rate Yld. %	Latest Report: New Report -	Latest Report: Period -	Latest Report: Date Ended -	Latest Quarter: Revenue Amt. $Mil	Latest Quarter: Revenue Chg. %	Latest Quarter: Net Income Amt. $Mil	Latest Quarter: Net Income Chg. %	Latest Quarter: E.P.S. Amt. $	Latest Quarter: E.P.S. Chg. %	Year-to-Date: Revenue Amt. $Mil	Year-to-Date: Revenue Chg. %	Year-to-Date: Net Income Amt. $Mil	Year-to-Date: Net Income Chg. %	Year-to-Date: E.P.S. Amt. $	Year-to-Date: E.P.S. Chg. %
Retailers																													
Color Tile ..... M	21.00	1.25	6.3	21.13	19.75	22.00	15.25	8,657	9.21	3.46	166.2	14.3	.00	.0	.....	6 mos.	12-85	87.2	4.8	3.3	- 2.9	.34	- 8.1	182.2	14.8	6.6	6.5	.70	2.9
Erb Lumber ..... M	46.00	10.00	27.8	48.00	33.75	46.00	20.50	150	1.68	.38	342.1	7.9	.00	.0	.....	9 mos.	09-85	61.4	44.1	2.3	91.7	2.67	105.4	142.3	27.5	4.3	104.8	4.87	112.7
Forest City Ent ..... A	22.25	- 2.13	- 8.7	24.13	22.13	26.13	20.38	153	.38	.11	245.5	41.2	.30	1.3	.....	9 mos.	10-85	72.8	14.3	.0	- 100.0	.00	- 100.0	200.0	5.7	3.6	20.0	.45	12.5
Grace W R ..... N	53.63	2.63	5.1	54.38	49.13	57.25	35.50	30,332	5.58	3.69	51.2	19.0	2.80	5.2	.....	fiscal	12-85	2013.2	10.0	44.7	- 24.4	.86	- 29.5	7260.1	7.9	146.9	- 24.9	2.82	- 29.9
Handyman ..... A	27.50	.88	3.3	27.50	26.50	29.63	21.75	112	.44	.36	22.2	NA	.15	.5	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger A ..... M	23.00	1.50	7.0	23.25	21.25	23.25	16.00	3,919	4.48	2.94	52.4	NA	.16	.7	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B ..... M	23.25	2.00	9.4	23.75	21.25	24.19	16.00	829	.61	.43	41.9	24.0	.08	.3	.....	9 mos.	10-85	118.3	17.8	5.5	17.0	.23	9.5	362.2	19.7	16.5	11.5	.70	7.7
Homecrafters Whse ..... M	2.63	.63	31.3	2.75	2.00	9.75	1.00	602	2.13	5.58	- 61.8	NE	.00	.0	.....	9 mos.	10-85	45.4	9.9	(10.2)	NE	(3.62)	NE	143.0	18.0	(13.5)	NE	(4.80)	NE
Home Depot ..... N	14.75	2.63	21.6	14.88	11.88	20.38	10.50	22,511	8.98	2.14	319.6	41.0	.00	.0	.....	9 mos.	10-85	177.7	76.8	1.2	- 63.6	.04	- 69.2	497.0	57.6	5.6	- 46.7	.22	- 47.6
INTERCO Inc ..... N	77.00	6.00	8.5	77.00	70.63	77.00	61.13	2,675	1.89	1.35	40.0	15.0	3.08	4.0	.....	9 mos.	11-85	694.7	- .6	27.0	- 4.6	1.71	216.7	1927.7	- 5.7	61.4	- 15.0	3.89	21.9
K mart Cp ..... N	37.13	- 1.13	- 2.9	39.50	36.63	39.88	30.63	45,433	3.62	1.74	108.0	11.6	1.40	3.8	.....	9 mos.	10-85	5223.2	4.6	77.4	- 16.2	.60	- 15.5	15667.8	10.2	210.7	- 28.5	1.64	- 27.8
Lowe's Cos ..... N	35.63	6.25	21.3	36.50	28.88	36.50	20.75	16,565	4.57	1.82	151.1	22.0	.36	1.0	NEW	9 mos.	10-85	549.1	22.6	15.6	- 11.4	.42	- 14.3	1597.0	21.6	48.4	- 4.9	1.33	- 5.7
Mich General ..... A	4.50	.88	24.1	5.13	3.50	7.63	3.25	8,856	7.81	1.75	346.3	NE	.00	.0	.....	9 mos.	09-85	128.3	3.6	(7.9)	- 100.0	(.69)	- 100.0	335.4	- 2.6	(23.2)	- 100.0	(2.05)	- 100.0
Natl Lumber ..... M	4.00	- .50	- 11.1	4.75	4.00	7.25	4.00	725	1.29	.57	126.3	20.0	.00	.0	.....	9 mos.	10-85	33.7	.9	.1	- 66.7	.02	- 60.0	101.6	6.8	.8	- 20.0	.14	- 22.2
Pay N Pak ..... N	14.00	.75	5.7	14.13	12.75	15.25	11.50	3,004	3.00	1.56	92.3	17.3	.64	4.6	.....	9 mos.	11-85	86.1	5.6	1.8	- 33.3	.18	- 33.3	259.2	6.4	6.9	- 22.5	.69	- 22.5
Payless Cash ..... N	19.75	2.00	11.3	20.00	17.13	23.38	13.50	23,075	6.66	2.15	209.8	17.2	.16	.8	.....	fiscal	11-85	164.4	- 50.3	10.1	6.3	.35	20.7	1174.4	.0	37.1	- .3	1.15	.0
Scotty's Inc ..... N	15.00	.88	6.2	15.25	14.13	15.63	12.38	2,810	1.95	.84	132.1	12.9	.52	3.5	NEW	6 mos.	12-85	120.6	10.0	2.8	- 22.2	.19	- 26.9	230.9	9.3	5.6	- 20.0	.39	- 25.0
Sears, Roebuck ..... N	43.63	3.38	8.4	43.63	39.88	43.63	31.75	93,048	2.56	1.21	111.6	12.4	1.76	4.0	NEW	fiscal	12-85	12068.2	5.2	552.3	- 1.9	1.50	- 2.6	40715.3	3.9	1303.3	- 10.4	3.53	- 12.0
Svc Merchandise ..... M	13.75	2.25	19.6	13.75	11.88	16.13	11.25	41,123	12.34	4.89	152.4	23.3	.08	.6	.....	9 mos.	09-85	528.3	69.7	(15.1)	- 100.0	(.45)	- 100.0	1421.0	53.3	(18.4)	- 100.0	(.55)	- 100.0
Std Brd Pnt ..... N	22.38	1.13	5.3	22.50	19.75	23.88	18.75	4,152	3.67	1.28	186.7	13.5	.56	2.5	.....	9 mos.	10-85	90.0	10.4	4.0	- 24.5	.35	- 27.1	266.4	9.1	14.2	- 12.9	1.26	- 14.3
Supermkts Gen ..... N	57.25	4.50	8.5	57.25	52.50	57.25	33.50	1,917	1.07	.73	46.6	15.9	.48	.8	.....	9 mos.	10-85	1263.6	9.9	24.2	132.7	.68	17.2	3766.3	25.1	42.1	38.9	2.35	38.2
Wickes Cos ..... A	4.50	- .25	- 5.3	4.75	4.50	5.63	3.13	44,744	4.67	4.21	10.9	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wolohan Lumber ..... M	6.75	.75	12.5	7.00	5.88	7.25	5.25	1,736	2.97	.94	216.0	13.0	.16	2.4	.....	9 mos.	09-85	46.8	12.5	1.2	9.1	.20	5.3	113.3	10.0	2.2	22.2	.38	22.6
Zayre Corp ..... N	64.75	.75	1.2	66.75	62.88	66.75	40.31	5,717	2.13	1.12	90.2	19.2	.48	.7	.....	9 mos.	10-85	942.0	21.3	27.6	22.1	1.02	21.4	2537.0	20.6	56.7	24.3	2.09	22.9
Wholesalers																													
Lewis Palmer ..... M	8.25	.63	8.2	8.50	7.75	9.38	6.38	1,454	3.72	1.46	154.8	63.5	.27b	3.3	.....	9 mos.	10-85	39.9	- 9.9	.6	.0	.16	6.7	110.4	- 2.9	.8	- 42.9	.22	- 43.6
Manufacturers																													
Allegheny Int ..... N	18.75	1.00	5.6	19.38	17.50	28.75	16.50	3,738	3.48	3.06	13.7	NE	1.40	7.5	.....	9 mos.	09-85	511.5	- .9	(71.4)	- 100.0	(7.35)	- 100.0	1519.2	- 1.0	(56.3)	- 100.0	(7.47)	- 100.0
Am Standard ..... N	42.63	2.88	7.2	43.25	39.25	43.25	26.75	9,640	2.45	1.88	30.3	13.8	1.60	3.8	NEW	fiscal	12-85	413.8	- 52.0	36.2	17.5	.92	17.9	2912.0	- 9.4	122.0	6.2	3.10	1.0
Armstrng Wrld ..... N	50.00	3.63	7.8	51.38	46.13	51.38	30.38	8,839	3.69	1.22	202.5	11.9	1.30	2.6	.....	fiscal	12-85	426.0	11.4	22.6	20.2	.94	19.0	1679.2	7.0	100.9	9.4	4.20	10.8
Black & Decker ..... N	23.63	1.88	8.6	23.75	21.63	25.38	17.25	30,650	6.04	2.70	123.7	31.1	.64	2.7	.....	3 mos.	12-85	521.7	3.7	20.9	- 27.9	.41	- 28.1	521.7	3.7	20.9	- 27.9	.41	- 28.1
Boise Cascade ..... N	50.63	1.88	3.8	51.38	47.75	51.38	37.25	10,054	3.71	1.75	112.0	14.7	1.90	3.8	.....	fiscal	12-85	892.7	- 1.6	19.0	NE	.61	NE	3737.2	- 2.1	104.3	49.9	3.45	54.7
Certain-teed ..... N	27.75	2.00	7.8	28.00	25.75	28.50	21.25	2,739	1.44	.52	176.9	10.2	.90	3.2	.....	fiscal	12-85	261.7	- 4.4	10.4	- 25.2	.55	- 21.4	1109.7	- 6.7	53.4	22.8	2.73	25.8
Champ Intl ..... N	27.50	.63	2.3	28.00	26.25	28.00	20.00	40,337	4.34	2.05	111.7	17.3	.52	1.9	.....	fiscal	12-85	1194.7	- 29.3	38.1	NE	.37	NE	5769.8	12.7	163.1	NE	1.59	NE
Clopay Corp ..... A	16.38	4.00	32.3	16.38	12.38	22.19	11.25	197	1.27	.48	164.6	NE	.16	1.0	.....	fiscal	12-85	35.5	- 2.5	(.2)	- 100.0	(.14)	- 100.0	139.2	3.9	(1.9)	- 100.0	(1.24)	- 100.0
DeSoto Inc ..... N	37.13	.63	1.7	37.38	36.00	37.88	31.50	545	1.14	.50	128.0	12.5	1.40	3.8	.....	fiscal	12-85	75.5	- 3.6	2.9	- 19.4	.60	- 15.5	405.6	- .4	14.2	- 27.6	2.97	- 16.6
Emhart Corp ..... N	37.25	4.13	12.5	37.25	33.00	37.25	26.25	4,030	1.46	.89	64.0	12.8	1.40	3.8	.....	fiscal	12-85	484.4	8.1	23.6	- 7.8	.87	26.1	1775.0	- 1.1	80.0	- 11.5	2.90	- 11.3
Georgia-Pacific ..... N	29.88	2.50	9.1	30.13	27.25	30.13	20.50	40,877	3.97	1.75	126.9	16.3	.80	2.7	.....	fiscal	12-85	1590.0	- 10.0	33.0	NE	.27	NE	6716.0	.5	207.0	NE	1.83	88.7
Insilco Corp ..... N	21.00	1.88	9.8	21.13	18.75	21.38	16.63	4,125	2.10	1.12	87.5	15.3	1.00b	4.8	.....	fiscal	12-85	174.7	- 3.4	3.6	- 50.7	.17	- 57.5	811.8	3.2	26.1	- 20.9	1.37	- 24.7
La Pacific ..... N	25.75	2.44	10.5	25.75	23.25	25.75	17.13	10,322	2.82	1.03	173.8	36.8	.80b	3.1	.....	fiscal	12-85	312.6	10.2	6.8	- 67.6	.19	- 69.4	1260.9	2.5	25.5	- 39.6	.70	- 41.2
MacMilln Bldel ..... N	19.25	.63	3.4	19.25	18.25	19.25	12.47	585	.19	.05	280.0	35.6	.00a	.0	NEW	fiscal	12-85	601.7	4.0	20.4	- 15.0	.44	- 21.4	2335.4	9.8	42.9	122.3	.54	NE
Manville Cp ..... N	6.88	- .75	- 9.8	7.75	6.50	8.13	5.13	11,224	4.68	2.39	95.8	NE	.00	.0	.....	fiscal	12-85	536.4	17.5	20.9	14.8	.61	22.0	1941.8	7.0	(45.1)	- 100.0	(2.92)	- 100.0
Masco Corp ..... N	49.25	2.75	5.9	49.25	44.75	49.25	28.50	16,689	2.60	1.04	150.0	19.2	.64	1.3	NEW	fiscal	12-85	704.9	228.3	141.3	551.2	1.42	330.3	1154.0	13.2	164.5	41.9	2.56	28.0
Mor-Flo Inds ..... M	17.88	- .13	- .7	18.00	17.88	20.25	14.50	251	.99	.76	30.3	8.4	.01	.1	.....	9 mos.	09-85	47.0	.9	.3	- 81.3	.11	- 82.5	153.0	3.9	3.7	- 22.9	1.45	- 24.5
Natl Gypsum ..... N	46.63	.63	1.4	46.75	45.88	47.25	25.09	11,758	5.14	2.60	97.7	8.9	1.52	3.3	.....	9 mos.	09-85	468.0	4.2	35.1	24.9	1.53	26.4	1277.4	- .8	96.6	18.4	4.16	18.9
Newell Co ..... N	29.13	2.38	8.9	29.25	26.00	29.25	15.13	2,240	2.60	.84	209.5	13.9	.70	2.4	.....	fiscal	12-85	96.6	7.6	5.5	31.0	.61	32.6	350.0	13.5	18.9	33.1	2.09	29.0
Owens Corning ..... N	42.25	3.50	9.0	42.50	38.50	42.50	30.75	14,918	5.01	1.47	240.8	9.6	1.40	3.3	.....	fiscal	12-85	966.6	27.9	44.1	31.3	1.48	29.8	3305.0	9.4	131.2	15.2	4.42	14.2
Ply-Gem ..... A	19.00	.50	2.7	19.00	18.38	19.75	13.25	947	2.20	2.57	- 14.4	17.1	.16	.8	.....	9 mos.	09-85	39.5	- 2.7	1.1	37.5	.25	31.6	123.0	- .2	3.1	- 3.1	.77	- 12.5
Pope & Talbot ..... N	20.13	2.13	11.8	20.50	17.88	21.50	16.75	1,078	1.80	1.36	32.4	18.1	.80	4.0	.....	fiscal	12-85	74.9	- 5.1	.6	NE	.10	NE	325.2	1.6	6.7	NE	1.11	NE
Potlatch Cp ..... N	39.25	1.50	4.0	39.25	37.25	43.63	31.38	1,774	1.37	.76	80.3	17.9	1.56	4.0	.....	fiscal	12-85	227.4	- 3.7	4.4	- 56.0	.26	- 55.2	950.3	- 4.4	37.7	- 24.0	2.19	- 21.8
Sherwin-Wms ..... N	56.13	6.25	12.5	56.13	50.25	56.13	30.63	4,255	1.85	.83	122.9	17.4	1.00	1.8	NEW	fiscal	12-85	517.4	3.2	11.3	24.2	.48	17.1	2194.9	5.8	74.6	14.8	3.23	13.7
SW Forest Ind ..... N	13.38	.25	1.9	13.63	12.75	15.88	9.88	1,636	1.76	3.84	- 54.2	NE	.00	.0	NEW	fiscal	12-85	169.2	- 10.9	(5.0)	- 100.0	(.42)	NE	700.1	- 9.9	(12.3)	- 100.0	(1.67)	- 100.0
Stanley Works ..... N	38.63	.88	2.3	39.00	37.25	39.00	26.50	5,672	1.97	1.13	74.3	13.6	1.04	2.7	.....	fiscal	12-85	322.4	5.4	25.7	14.7	.93	14.8	1208.3	4.3	78.3	8.1	2.85	9.6
Thos Inds ..... N	22.00	.50	2.3	22.00	21.25	22.00	14.41	568	.64	.58	10.3	12.1	.65b	3.0	NEW	fiscal	12-85	77.6	.6	4.2	7.7	.48	9.1	309.5	6.1	16.2	1.9	1.82	2.2
Triangle Pac ..... N	46.25	1.00	2.2	46.50	42.75	46.50	26.00	680	1.80	.92	95.7	12.1	1.00	2.2	NEW	fiscal	12-85	65.7	4.1	3.6	24.1	.92	29.6	263.9	- 2.5	15.2	11.8	3.82	15.8
USG Corp ..... N	58.00	1.00	1.8	58.25	53.75	58.25	30.75	11,452	3.43	1.41	143.3	8.6	1.92	3.3	.....	fiscal	12-85	635.2	4.0	53.9	30.5	1.63	31.5	2526.5	9.0	223.8	19.9	6.71	19.0
Walter, Jim ..... N	51.13	6.38	14.2	51.63	44.38	51.63	31.00	8,188	3.87	2.06	87.9	9.6	1.40	2.7	.....	3 mos.	11-85	562.1	.7	31.7	17.0	1.45	16.9	562.1	.7	31.7	17.0	1.45	16.9
Waxman Ind ..... M	12.63	.38	3.1	12.88	12.25	16.88	9.00	935	2.98	1.95	52.8	23.4	.08	.6	NEW	6 mos.	12-85	23.3	14.2	.5	.0	.17	- 43.3	44.8	9.5	1.1	- 8.3	.35	- 50.0
Weyerhaeuser ..... N	35.75	1.13	3.2	36.00	33.63	36.00	24.75	25,397	1.96	1.12	75.0	27.1	1.30	3.6	.....	fiscal	12-85	1238.0	- 12.1	63.6	132.1	.43	168.8	5205.6	- 6.2	200.1	- 11.5	1.32	- 13.2

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure

a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.